



September 18, 2003

**LAWRENCE ZEA**  
Attn: LAWRENCE ZEA  
838 SALEM LN  
CARPENTERSVILLE, IL 60110

Re: Enrollment confirmation for Utility Account # 0017018361, Meter # 3180473

Dear LAWRENCE ZEA:

**Thank you for choosing Peoples Energy Services.** We are pleased to inform you that Nicor Gas has accepted your application to participate in the *Customer Select* program.

Enclosed is your copy of our terms and conditions for you're your records. Please take a moment to verify that your information including your utility account number and service address are correct.

**Utility Account Number:** 0017018361  
**Service Address:** 838 SALEM, CARPENTERS, IL

If you have questions regarding any of the information, including the cancellation policy, contact us at (888) 698-1730 or by email at [customerservice@peoplesenergy.net](mailto:customerservice@peoplesenergy.net) by **9/30/2003**.

We look forward to providing you with the right energy solutions for your business.

Sincerely,

A handwritten signature in cursive script that reads "Esther Kang".

Esther Kang  
Director, Marketing and Customer Communications

Enclosures

**OFFICIAL FILE**  
I.C.C. DOCKET NO. 060350  
Conf Exhibit No. 1  
Witness \_\_\_\_\_  
Date 7/12/06 Reporter PW

## NATURAL GAS AGREEMENT

Peoples Energy Services Corporation ("Company") and Client (identified over) agree to enter into this Natural Gas Agreement ("Agreement").

**1. Company Management.** Company will manage all gas requirements for the Client accounts listed below. If Client moves to an address outside the current utility service territory, then this Agreement will terminate automatically; if Client moves to an address within the current utility service territory, then Company may elect to continue serving Client. If Company elects to discontinue providing service, Company will notify Customer. Company may elect to consolidate utility bills with Company charges on a single bill. Company may discontinue consolidated billing service on reasonable notice.

**2. Agency Service.** Client authorizes Company to act as exclusive agent for all matters related to Client's utility transportation and delivery of gas to Client's account during the term of this Agreement. This authorization includes, without limitation, the right to obtain billing/payment histories, receive future statements regarding Client invoices from the utility and, to the extent permitted by law, execute, amend, or cancel Client's utility agreements. Client authorizes Company or its designee to obtain any credit or financial information regarding Client at any time.

**3. Client Obligations.** Client will: (a) purchase its full gas requirements at the price stated below or in any pricing notice as provided below; if, at any time, the price set forth below or in a pricing notice has expired or is otherwise no longer in effect, then Client will pay per therm consumed the price published in *Natural Gas Intelligence*, Weekly Gas Price Index, first of the month issue, Midwest Chicago citygate posting, converted to a price per therm or any successor index ("Index Price") + \$.07 per therm; (b) provide access to meters; (c) meet any utility requirements for service; and (f) be responsible for any taxes, fees, levies or charges ("Taxes") imposed by any government authority with respect to gas under this Agreement. If Company is required to remit Taxes, Client will reimburse Company for such Taxes. Client's responsibility for Taxes will survive the termination of this Agreement.

**4. Price.** Client will pay Company (a) the **Fixed Price of \$0.62** per therm consumed; (b) all charges assessed or collected by the utility on a cost-pass-through basis; and (c) a monthly administrative fee of \$2.95.

**5. Payment.** Payment is due 10 days after the invoice date. Late payment incurs interest at 1.5% per month or the highest amount allowed by law, plus any credit and collection costs incurred by Company. The returned check charge is \$45.

**6. Force Majeure.** The occurrence of an event of force majeure will excuse either party, upon notice to the other party, from performing its obligations to the other for the duration of such event. Force majeure will mean any event beyond the reasonable control of the non-performing party and that could not be remedied by the exercise of due diligence. Force majeure does not excuse Client from making payment when due.

**7. Term, Termination & Termination Charges.** THE INITIAL TERM OF THIS AGREEMENT WILL BEGIN ON THE DATE THAT COMPANY FIRST PROVIDES SERVICE HEREUNDER TO CLIENT AND END FIRST UTILITY METER READ ON OR AFTER SEPTEMBER 2005. THIS AGREEMENT WILL EXTEND AUTOMATICALLY FROM YEAR-TO-YEAR AFTER THE INITIAL TERM UNLESS CANCELED BY EITHER PARTY ON 60 DAYS WRITTEN NOTICE PRIOR TO THE

**END OF THE INITIAL TERM OR PRIOR TO ANY EXTENSION.** From time to time, Company may submit a new offer ("pricing notice"), including a revised price and term, to Client, and, absent Client's written objection to that offer within 10 days of its receipt, the offer will be deemed accepted, any such offer need not be signed by Client, and this Agreement will be deemed amended accordingly. Any pricing notice is part of and subject to this Agreement. The Initial Term of this Agreement or any extension will not expire until the expiration of the term of any pricing notice. Company may terminate this Agreement if Client fails to meet credit requirements or make payments when due. Company reserves the right not to commence service under this Agreement or to return Client to Client's prior utility service upon verbal notice, confirmed in writing, if, in Company's sole judgment, there are changes to rules, regulations, tariffs or procedures or other circumstances that adversely affect Company's ability to serve Client or provide the price. If Client terminates, or otherwise causes the termination of, this Agreement prior to the end of any term, Company will charge Client, as a termination fee and not as a penalty, an amount equal to \$.15 per therm multiplied by number of therms of natural gas Client would have used during the remaining term of the Agreement. The calculation of natural gas that Client would have used will be based on Company's good faith estimate.

**8. Notices.** All communications required or permitted to be given under this Agreement will be in writing and will be deemed to be given when personally delivered or faxed or 2 business days after being mailed by United States mail, postage prepaid, to the parties at the addresses provided, or at such other address as a party may designate from time to time.

If Client wishes to speak with Company concerning the supply portion of the bill or any supply issues Client disputes, Client can call Company at 1-888-698-1728 or write to the address below. Company will attempt to resolve the matter within 5 business days after receiving the call or letter. If Client is not satisfied with the response, Client can contact the Illinois Commerce Commission at 1-800-524-0795 or 1-800-858-9277 for TTY-TDD hearing-impaired customers.

**9. Right of Rescission.** As part of this offer, Client has the right to rescind service without penalty within the first 3 business days of receiving service confirmation letter.

**10. Miscellaneous.** The terms of this Agreement extend to the successors and assigns of either party. Client may not assign this Agreement without obtaining written consent from Company. This Agreement will be governed by Illinois law, without regard to principles of conflicts of law. The parties agree any litigation arising out of this Agreement will be conducted in a court located in Cook County, Illinois. This is the entire Agreement, and both parties must approve any amendment, except as provided in Section 7. No changes may be made to the form of this Agreement without Company's consent. A waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement will not operate as a waiver of any future default or defaults. A photocopy or fax copy of this Agreement is a legally binding agreement. EXCEPT AS OTHERWISE PROVIDED IN SECTION 7, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR PUNITIVE, EXEMPLARY, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES UNDER THIS AGREEMENT. COMPANY'S TOTAL LIABILITY TO CLIENT AND CLIENT'S EXCLUSIVE REMEDY HEREUNDER WILL NOT EXCEED THE AMOUNT OF CLIENT'S HIGHEST MONTHLY INVOICE. All of Client's remedies hereunder are sole and exclusive. This offer by Client is not binding until accepted by Company at its business office in Houston, Texas.

Peoples Energy Services is not the same company as Peoples Gas. The rates of non-utility gas suppliers like Peoples Energy Services are not regulated by the Illinois Commerce Commission. You do not need to buy products or services from Peoples Energy Services in order to receive the same quality service from Peoples Gas.